

NH INSURANCE DEPARTMENT PRESS RELEASE

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For Immediate Release

NH Insurance Commissioner Roger Sevigny Offers Consumer Tips on Homeowner's/Renter's Insurance

April 28, 2006 Concord, NH: As the home selling season swings into high gear and many people begin Spring home improvement projects, the National Association of Insurance Commissioners (NAIC), of which New Hampshire is a member, has compiled a wealth of information about homeowner's and renter's insurance for individuals and families—all organized by life stage needs and available at the NAIC's newly launched consumer education web site, www.InsureUonline.org.

Most Americans—approximately three quarters—insure their homes and personal possessions against fire, theft and other damages, according to a recent NAIC consumer survey. However, there's one notable exception: young singles. Only 34 percent of Americans who own a home or rent an apartment at this life stage have homeowner's or renter's insurance.

Homeowner's insurance covers a home's physical structure and the owner's personal property. In contrast, renter's insurance only protects personal property. Everyone—homeowners and renters—benefits from liability coverage, which provides financial protection in case others are injured while visiting their home.

“Consumers need to understand their options with regard to homeowner's/renter's insurance to make sure they get the right type and amount of coverage to fit their individual needs,” said Roger Sevigny, New Hampshire's Insurance Commissioner. “To get them started, we've identified many of the key considerations by life stage on the NAIC's Insure U web site.”

Important Considerations for all Homeowners/Renters

Consumers should understand the major factors that affect their homeowner's/renter's insurance costs:

- Where a consumer lives makes a big difference in the cost of coverage. People in states prone to hurricanes, high winds and/or hail typically pay higher premiums for homeowner's insurance, as those risk factors have a big impact on insurance costs. According to the most recent NAIC data, in 2003 the average cost to insure a home was \$668.
- Another simple tip that can save consumers time and aggravation if they ever need to file a claim: make an inventory of personal belongings and save receipts for major items, along with a photograph or video of each room. This documentation should be stored in a safe place outside the home, such as a safe deposit box, in case the dwelling is destroyed.
- As many consumers learned from last year's violent hurricane season, damage to a home or belongings caused by flooding is NOT typically included in a homeowner's policy. Consumers who live in areas prone to flooding should inquire about flood insurance through the federal government's National Flood Insurance Program (NFIP).
- People who own expensive valuables—like jewelry, antiques or art—will probably want to purchase an endorsement to their homeowner's policy, as these types of valuables are typically not covered by basic policies.

Tips to Help Consumers Lower their Homeowner's or Renter's Premiums

Many factors that affect insurance costs are within the control of consumers:

- Shop around and compare the costs of comparable coverage from different insurers to get the best value.
- Install smoke detectors in key locations; keep fire extinguishers handy, especially in the kitchen.
- Install dead-bolt locks and a burglar alarm system, particularly one that directly contact the police or fire department or an external monitoring service.
- Keep up a solid credit history, as many insurance companies offer better rates to individuals with good credit ratings.
- If you can absorb the higher out of pocket expenses in the event of a loss, select a policy with a higher deductible (the amount not reimbursed by your insurance); the higher the deductible, the lower the premium.
- Consolidate homeowner's and auto policies with the same insurer to qualify for a multi-policy discount.

Homeowner's/Renter's Insurance Tips for Different Life Stages

At different life stages, consumers' homeowner's/ renter's insurance needs are likely to change. For example:

- Young singles, who typically rent rather than own and may have one or more unrelated roommates, should know that each leaseholder needs his/her own individual renter's policy to protect his/her own possessions and against liability for accidents that happen on their premises.
- Young families who may be buying their first home should know that in most instances it only makes sense to insure their home itself and belongings—not the land on which the home sits. Also if they install a swing set or trampoline for their kids, they should consider additional umbrella liability insurance to cover them in the event a visiting child is injured while on their property.
- Established families that may be remodeling or building an addition to their home should update their homeowner's policy to reflect these enhancements, particularly if they add \$5,000 or more to the value of their home.
- Seniors should ask if they are eligible for discounts. And if they've just paid off their mortgage—and their homeowner's insurance was previously paid through their mortgage company—they need to alert their insurance company to send the premium bills directly to them and to pay on time so that their homeowner's policy doesn't lapse.

“All New Hampshire consumers need to protect themselves from being scammed by fake insurance companies selling bogus insurance policies,” noted Sevigny. “All they need to do is take a few minutes to stop, call our department toll free at 1-800-852-3416 and confirm that a company is legitimate and authorized to sell insurance in New Hampshire before purchasing insurance.”

For more useful information about insurance, consumers can visit the New Hampshire Insurance Department's web site at www.nh.gov/insurance and link to the NAIC's new consumer education web site, Insure U Online, at www.InsureUonline.org.

ABOUT THE NH INSURANCE DEPARTMENT

The first insurance regulator in the US, the NH Insurance Department was created in 1851 and charged with enforcing and administering New Hampshire's insurance laws. The department, an agency of the executive branch of New Hampshire state government, conducts safety and soundness and market conduct examinations of licensees, licenses insurance companies and insurance producers, reviews premium rates and policy forms, provides assistance, information and referral

services to New Hampshire insurance consumers, and administers the filing and collection of New Hampshire's insurance premium tax. For more information, visit the Insurance Department's web site at: www.nh.gov/insurance.

ABOUT THE NAIC

Headquartered in Kansas City, Missouri, the National Association of Insurance Commissioners (NAIC) is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and five U.S. territories. The association's overriding objective is to assist state insurance regulators in protecting consumers and helping maintain the financial stability of the insurance industry by offering financial, actuarial, legal, computer, research, market conduct and economic expertise. Formed in 1871, it is the oldest association of state officials. For more information, visit NAIC on the Web at: http://www.naic.org/press_home.htm

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